Complaints against M|s. Fairdeal Corporation

2844. SHRI (MOLANA) ASRARUL HAQ: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that employees of M/s. Fairdeal Corporation submitted a memorandum about undesirable activities of the management;

(b) if so, what are the details thereof and whether Government made any investigation;

(c) if so, what are the findings and what action has been taken;

(d) whether it is a fact that this company had started a number of small scale units in order to transfer profits and also to avoid price fixation of medicines;

(e) names of the products being marketed by Fairdeal Corporation which are being manufactured by small scale units and what are the details of arrangements made between those companies;

(f) what was the sales turn-over of each units managed by Fairdeal during the last three years, year-wise;

(g) whether this company is marketing a number of products without price approval and without valid authority; and

(h) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM): (a) A Memorandum from the employees of M|s. Fairdeal Corporation Pvt. Ltd., was received in Ministry of Labour in November 1982, a copy of which was forwarded to Department of Company Affairs in February 1983.

(b) The Memorandum, *inter-alia* alleged:

(i) Harassment of workers;

(ii) taking away the Fine Chemicals Plant of the company under a new name Anand Synthochem Ltd. to divide the company's profits;

(iii) flotation of another company by name, Akhil Farma Pvt. Ltd. for manufacturing pharmaceuticals and food products with no factory;

(iv) transfer of products developed by the company to the above companies;

(v) marketing of products of other manufacturers by Fairdeal Corporation involving loss;

(vi) getting some of its products manufactured by others on loan licence basis, etc.

A limited inspection of books of accounts of the company under Section 209A of Companies Act, 1956 was carried out to examine the above allegations in the context of provisions of Companies Act, 1956

(c) No violation of the provisions of Companies Act, 1956 was noticed during the inspection.

(d) No representation about starting of small scale units by M/s Fairdeal Corporation has been received by the office of Development Commissioner (Small Scale Industries).

(e) and (f) The provisions of the Companies Act, 1956 realating to the form and contents of balance sheet and Profit & loss account do not require disclosure of the information referred to: and as such no details are available.

(g) and (h) To the extent information is available with the Department of Chemicals and Petrochemicals, the company is marketing its own price controlled formulation under the provisions of Drugs (Price control) Order, 1979.

Production of vital drugs

2845. SHRI N.E. BALARAM: Will the Minister of INDUSTRY be pleased to state:

(a) whether his attention has been drawn to the news item captioned "50 per cent vital drug output at each unit urged" which appeared in the 'Economic Times' of the 29th November, 1985;

(b) if so whether it is a fact that Federation of Medical and Sales Representatives Associations of India urged the Government to make mandatory for every drug producer to produce minimum 50 per